



DENALI COMMISSION

510 "L" Street, Suite 410
Anchorage AK 99501

(907) 271-1414
Fax (907) 271 1415
Toll Free (888) 480-4321
www.denali.gov

July 1, 2003

Dear Fellow Alaskans:

Re: Denali Commission Investment Policy Comment Period

Enclosed is the Denali Commission Investment Policy drafted for your review and comment. This policy is necessary to guide the process of project selection and prudent investment of federal monies which has been underway at the Denali Commission since its inception. To provide adequate time for meaningful review and comment by you, this draft policy will continue to serve as a guide for Denali Commission Staff and Partner actions until reviewed for potential revision by the full Commission in September.

The Investment Policy is intended to deliver the greatest possible benefit to the greatest number of Alaskans, without penalizing the smallest communities for circumstances beyond their control. It provides guidance for designers to tailor facilities based on six primary investment indicators: size of community and population trends, imminent environmental threats, proximity/access to existing services and/or facilities, per capita investment benchmarks, unit construction cost, and economic potential. These indicators provide an investment framework which will guide selection and appropriate funding of sustainable projects by the Denali Commission and its program partners. The policy also provides guidelines for consideration of appropriate alternatives where investment in standard facilities is not warranted. Alternatives include smaller, modular or relocatable facilities and/or limited services as appropriate.

I urge you to review the policy and consider its effects, offer suggestions and help us "do the right thing, in the right way". Written comments should be received at the Denali Commission by August 15, 2003. We believe that none of us is as smart as all of us working together. So, thank you in advance for your thoughtful suggestions to enhance this Investment Policy.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jeff Staser", written over a horizontal line.

Jeff Staser
Federal Co-Chairman



Denali Commission
510 L Street, Suite 410
Anchorage, AK 99501

907.271.1414 *tel*
907.271.1415 *fax*
888.480.4321 *toll free*

PUBLIC REVIEW DRAFT

Investment Policy

June 2003

1. Objective

To ensure that funding provided by the Denali Commission (hereafter "Commission") to infrastructure projects serves a public purpose, is provided in a reasonable amount, and is invested in the most conscientious and sustainable manner possible.

2. General Policy

The Denali Commission is charged with promoting rural development including critical infrastructure needs. It is incumbent on the Commission to promote infrastructure funding only in communities where sustainability (facility and services) can be demonstrated both in the present, and the future. The Commission does not believe it is advisable or prudent to invest significant funds in communities where long-term sustainability of community facilities and services appears unlikely.

Specific indicators of communities' potential to achieve long term sustainability include but are not limited to:

- Population Trends which reveal high (greater than 20% over a 10 year census period) rates of population decline
- "Small" population bases (less than 100 year round residents)
- Environmental dangers (e.g., flooding and erosion)
- Significantly higher per capita investment (then for the average community) for all public infrastructure in the community
- Significantly higher construction unit cost (then for the typical project)
- Economic potential (including employment data)
- Previous demonstration of bad faith (failure to honor previous agreements, tax arrears, etc.)

3. General Provisions

- A. The potential sustainability of all applications for facilities or services to be funded with Denali Commission funds shall be evaluated on the basis of the following six investment factors:

- **Size of community and population trends,**
- **Imminent environmental threats,**
- **Proximity/access to existing services and/or facilities,**
- **Per capita investment benchmarks,**
- **Unit cost, and**
- **Economic potential**

These six investment factors are intended to supplement, but not replace Denali Commission Guiding Principles which provide general guidance for Commission investment decisions. For example, a current comprehensive community plan is a positive factor for all communities and all affected organizations in a community must demonstrate unanimous support for a proposed project by all affected organizations.

- B. Denali Commission project applicants whose communities are small and/or environmentally threatened should be prepared to provide detailed answers related to each of the six Investment Policy Principles. The Denali Commission will assist such communities with per capita investment benchmarks, and unit costs by which small, declining and/or environmentally threatened communities are having their requests judged.
- C. Funding decisions must focus on meeting the critical infrastructure needs of existing communities before addressing other infrastructure needs or creating new communities unless the new community is intended to replace an existing community that requires relocation due to environmental threats.
- D. Communities' infrastructure projects may be approved for smaller, modular or relocatable facilities and/or limited services more representative of their size and capacity for sustainability or appropriate to the other six Investment Policy Principles.
- E. The Denali Commission will maintain a list of communities which do not meet criteria of the Investment Policy, and suggest alternatives for non-sustainable communities to access critical services and facilities.

4. Implementation

The Denali Commission will have full responsibility for implementing this policy. The Denali Commission will monitor to ensure satisfactory implementation by its program partners. This policy may be modified or waived only by written agreement of the Denali

Commission Chief of Staff demonstrating that modification or waiver is in the public interest.

5. Appeals Process

Any decisions made relative to this policy may be appealed first to the Federal Co-Chair and ultimately to the full Commission.

Issued by: _____ Date: _____